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Investment Company, LLC*

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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PIPER JAFFRAY & CO.,

Plaintiff,

-against-

MICHAEL J. PRINCIPE, BLUE EQUITY LLC,
BEST, and BLACKWAVE SPORTS
INVESTMENT COMPANY, LLC,

Defendants.

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Civil Action No. 1:10-CV-4978 (NRB)

ECF CASE

**Report of Rule 26(f) Planning
Meeting**

The Plaintiff, Piper Jaffray & Co., by counsel, and Defendants, Michael J. Principe (“Principe”), Blue Equity, LLC (“Blue Equity”), and Blackwave Sports Investment Company, LLC (“Blackwave Sports”) (collectively Principe, Blue Equity, and Blackwave Sports are “Defendants”), by counsel, for the Parties’ Report of Rule 26(f) Planning Meeting state as follows:

In accordance with Fed. R. Civ. P. 26(f), counsel for the Parties conferred on October 6, 2010 and submit the following report of their meeting for the Court's consideration.

1. Discussion of claims and defenses: The Parties conferred as to the basis of the claims of the Plaintiff as well as the defenses by the Defendants. Plaintiff's claim is based upon a Agreement which is attached to the Complaint and the assertion that the "transaction" as defined under the Agreement occurred and thus triggered payment of a "transaction fee." Defendants assert that the "transaction" defined by the Agreement did not occur and even if it did the amount due is 50% less than that which is asserted by the Plaintiff. The primary issues will focus on the interpretation of the Agreement.

2. Possibility of prompt resolution of the case: The Parties discussed the likelihood of early settlement discussions. Defendants had previously suggested mediation at this time, but Plaintiff believes it needs discovery. The Parties agreed that after the Initial Disclosures and/or the initial exchange of information pursuant to early discovery requests they will address the possibility of mediation again.

3. Initial Disclosures required by Rule 26(a)1: Due to the likelihood that initial disclosures will include a review of significant electronic data and due to the amount of time necessary to search and review documents to be potentially exchanged or listed pursuant to Rule 26(a)1, the parties have stipulated that the disclosures will occur on or before November 30th, 2010.

4. Issues about preserving discoverable information: The parties discussed preservation of evidence as well as the production of electronic discovery. The parties agree to preserve all evidence relating to the "transaction" which allegedly gives rise to

the claim under the Agreement as well as any communications regarding the Agreement itself. If at all possible, the parties have agreed to produce any electronic discovery in a “pdf” format.

5. Proposed discovery plan: The parties agreed to the following proposal for the timing of this case.

- a. All fact discovery (non expert) should be completed by June 1, 2011.
- b. Plaintiff’s expert disclosures shall be by July 1, 2011. Defendants shall provide expert disclosures by August 1, 2011. All expert discovery shall be concluded by September 1, 2011.
- c. All dispositive motions deadline shall be filed on or before September 9, 2011.
- d. The parties expect that the case should be ready for trial in early December 2011.

Agreed to By:

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